

Message Text

CONFIDENTIAL

PAGE 01 TEHRAN 06265 020746Z
ACTION NEA-11

INFO OCT-01 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00
SSO-00 ICAE-00 INRE-00 PM-05 H-01 INR-10 L-03
PA-01 SP-02 SS-15 ACDA-12 SOE-02 AID-05 CEA-01
COME-00 EB-08 DOE-15 INT-05 OMB-01 OES-07 STR-07
TRSE-00 NRC-05 /117 W
-----005523 020752Z /11

O 020532Z JUL 78
FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC IMMEDIATE 9168
INFO AMEMBASSY JIDDA

C O N F I D E N T I A L TEHRAN 6265

E.O. 11652: GDS
TAGS: PFOR, MNUC, ENRG, IR
SUBJ: SHAH'S COMMENTS ON ENERGY MATTERS

1. DURING LUNCH BY SHAH AND SHAHBANOU IN HONOR OF MRS. LYNDON B. JOHNSON (CHAIRMAN PAYNE OF NATIONAL GEOGRAPHIC SOCIETY, HIS WIFE AND CHARGE AND HIS WIFE ONLY OTHERS PRESENT) JULY 1, SHAH COMMENTED THAT HE WAS REGRETFUL--AND REALLY COULD NOT UNDERSTAND REASONS--FOR LONG DELAY IN REACHING ACCORD ON NUCLEAR BILATERAL. THE US, HE SAID, WAS THE PARTY BEING HURT MOST BY THE DELAY. THE FRENCH AND GERMANS WERE SELLING REACTORS AND IRAN WAS NOW BEING HARRIED BY JAPANESE AND SWEDISH VENDORS. IN ADDITION TO THE CURRENT SIX GERMAN REACTORS (TWO UNDER CONSTRUCTION, FOUR BY LETTER OF INTENT) HE WAS SERIOUSLY STUDYING A PROPOSAL FOR TWO MORE GERMAN REACTORS WHICH WOULD BE FULLY PAID FOR BY OIL BARTER AND WOULD BE IN FACT CHEAPER THAN OTHER REACTORS. THE FRENCH ALSO WOULD TAKE SOME OIL FOR THE FOUR REACTORS BEING NEGOTIATED. THE STATE OF CURRENT TECHNOLOGY, HE ADDED, INDICATED THAT NUCLEAR POWER WAS FOR IRAN THE ONLY PRACTICABLE PATH. HE WANTED A US ROLE,
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEHRAN 06265 020746Z

HE SAID, BUT IRAN MUST PROCEED WITH THOSE COUNTRIES WHICH WERE READY TO COOPERATE WITH IRAN.

2. THE SHAH ADVERTED TO A FAMILIAR THEME OF THE NECESSITY OF DEVELOPING ALTERNATIVE ENERGY SOURCES AND NOTED THAT THE US SHOULD PUT GREATER EMPHASIS ON ITS VAST SHALE AND COAL RESOURCES. IN THE MEANTIME, THE WESTERN

WORLD SHOULD ADAPT TO GRADUALLY INCREASING OIL
PRICES IN THE YEARS AHEAD. IRAN WAS OBTAINING AROUND
DOL12.80 PER BARREL BUT THE DECLINE OF THE VALUE OF THE
DOLLAR AND INFLATION GAVE IRAN ONLY SEVEN PLUS DOLLARS
IN 1973 TERMS. A GRADUAL INCREASE IN THE PRICE OF OIL
IN THE FUTURE WAS ESSENTIAL. IN REPLY TO A COMMENT
THAT YAMANI HAS BEEN QUOTED RECENTLY AS SAYING A FIVE
PERCENT INCREASE IN PRICE WAS CALLED FOR, THE SHAH
LAUGHED AND NOTED THAT THE SAUDIS WERE A MINORITY IN
OPEC BUT A MAJORITY IN BARRELS OF OIL.
NAAS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR AGREEMENTS, SHAH, SPEECHES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TEHRAN06265
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780273-0200
Format: TEL
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197807101/aaaadhqw.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1650c06a-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1851251
Secure: OPEN
Status: NATIVE
Subject: SHAH'S COMMENTS ON ENERGY MATTERS
TAGS: PFOR, MNUC, ENRG, IR
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/1650c06a-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014